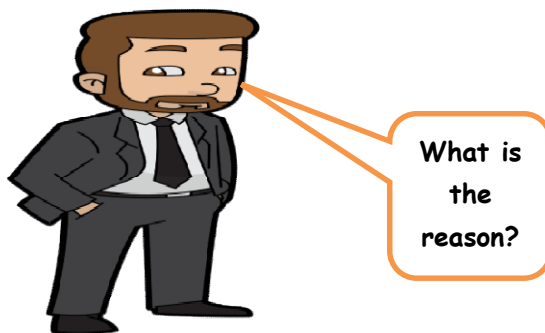
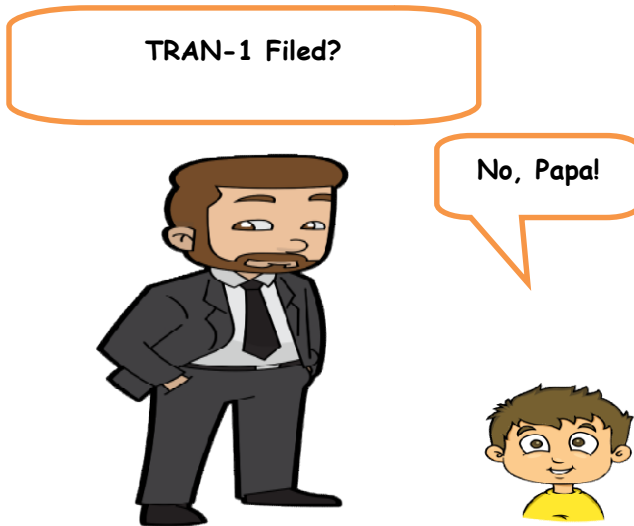
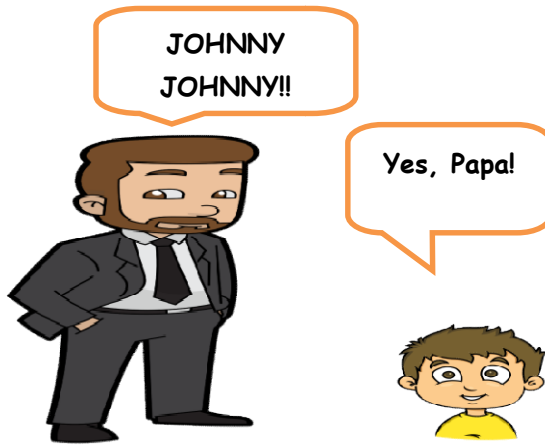


GST and JOHNNY- UPDATE No.7



This Papa:-

At the time of instigation of GST, the Government granted opportunity to the taxpayers to carry forward the unutilized credit of duties/taxes paid in the earlier tax regime under Section 140 of CGST Act, 2017. The Government had extended the date many times and last date of 27th December, 2017 was fixed. Many assessee could not file the TRANS-1 due to technical glitches. Various High Courts allowed the assessee to file the Tans-1 even after the last date. The Government allowed the taxpayers to file the Trans-1 if he is able to prove that there was technical glitches for non-filing of Trans-1. Many representations were received by the Government claiming that the substantive right for the entitlement of eligible duties on the purchases made in the pre-GST regime cannot be taken away for failure to file GST TRAN 1. Consequently, in case of Adfert Technologies Pvt. Ltd. Vs Union of India & Ors. (Punjab & Haryana High Court) it was held that nobody shall be denied to carry forward legitimate claim of CENVAT/ITC on the ground of non-filing of TRAN-I. One possible interpretation of the above judgment is that credit in respect pre GST regime can be claimed in TRAN-1 without any time limit. This date has been extended to 31 March, 2020 for those who have faced technical glitches while filing of the return. This has led to refusal to taxpayers who are not able to file return at all. The Government should allow all the assesses who could not file the TRANS-1 respecting the High Court decision. If taxpayers are not allowed to transfer their legitimate credit then it shall lead to reducing the profits earned for many years. Everyone know that it was new regime and there was difficulty in implementing the same. Hence, this should be allowed to all.

CA Pradeep Jain